

Members of the Board of Trustees of CollegeCounts 529 Fund and CollegeCounts 529 Fund Advisor Plan (Trustee) and UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

As part of our audits of the financial statements of CollegeCounts 529 Fund and CollegeCounts 529 Fund Advisor Plan as of and for the year ended September 30, 2011, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Plans' significant accounting policies are described in Note 2 of the audited financial statements of CollegeCounts 529 Fund and CollegeCounts 529 Fund Advisor Plan.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following area involves a significant area of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Fair Value of Investments

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Management's Discussion and Analysis
- Fees and Expenses

Audit Adjustments

During the course of the audits, there were no proposed adjustments to financial statement amounts.

Auditor's Judgments About the Quality of the Entity's Accounting Principles

No matters are reportable.

Other Material Written Communication

Listed below is another material written communication between management and us related to the audits:

- Management representation letters (attached)

OTHER MATTER – CURRENT ECONOMIC CONDITIONS

The current economic environment continues to present 529 plans with difficult circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan. Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

* * * *

This communication is intended solely for the information and use of management, the Alabama College Education Savings Program, Board of Trustees and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

December 15, 2011



(402) 323-1828 • P.O. Box 82535 • LINCOLN, NE 68501-2535 • UBT.COM

December 15, 2011

BKD, LLP

Certified Public Accountants

1248 O Street, Suite 1040

Lincoln, Nebraska 68508

We are providing this letter in connection with your audit of our CollegeCounts 529 Fund financial statements for the year ended September 30, 2011. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.


We confirm, to the best of our knowledge and belief, the following:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
3. We have made available to you:
 - (a) All financial records and related data.
 - (b) All minutes of meetings of the governing body held through the date of this letter.
 - (c) All significant contracts.
4. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.

- (b) Misrepresented or misstated assets, liabilities or net assets.
- 5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 6. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
- 7. Amounts assigned to current value of investments have been determined using published market prices when available and as established by the board of trustees or administrative committee when published market prices are not available.
- 8. The plan instrument has not been amended during the year.
- 9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, customers, regulators, suppliers, or others.
- 10. To the best of our knowledge, except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure.
 - (d) Events occurring subsequent to the balance sheet date requiring adjustment or disclosure in the financial statements.
 - (e) Material related party transactions, balances, arrangements, or guarantees.
 - (f) Agreements to purchase assets previously sold.
 - (g) Violations of law, regulations, contracts, grants or requirements of regulatory agencies for which losses should be accrued or matters disclosed in the financial statements.
 - (h) Unasserted claims or assessments that our attorneys have advised us are probable of assertion.

- (i) Restrictions on cash balances or compensating balance agreements.
 - (j) Guarantees, whether written or oral, under which the Plan is contingently liable.
11. Except as disclosed in the financial statements, we have:
- (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
12. With respect to any nonattest services you have provided us during the year, including preparation of the draft financial statements and related footnotes:
- (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - (d) We have evaluated the adequacy of the services performed and any findings that resulted.
13. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts.
14. To the best of our knowledge, we have identified and disclosed to you all laws, regulations, and provisions of contracts that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
15. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
16. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

17. We have a process to track the status of audit findings and recommendations.
18. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
19. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect our present intent and ability to carry out specific courses of action relevant to and inherent in those assumptions.
20. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, has been prepared and is presented in conformity with the applicable GASB pronouncements. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. There has been no change from the preceding period in the methods of measurement and presentation.
21. We understand the values of the investments recorded in the financial statements could change rapidly, resulting in material future adjustments. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Plan's financial statements. Further, management and the Board are solely responsible for all aspects of managing the Plan, including questioning the quality and valuation of investments.


Jay J. Steinacher
529 College Savings Group Manager


Nancy Barnett
529 College Savings Group Operations Officer


Melissa Schnick
529 College Savings Group Operations
Manager and Officer



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We confirm, to the best of our knowledge and belief, the following:

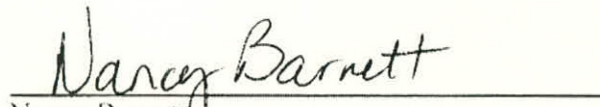
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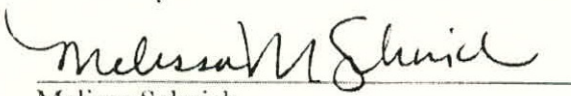
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